

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6865

BILL NUMBER: HB 1317

DATE PREPARED: Feb 24, 2002

BILL AMENDED: Feb 21, 2002

SUBJECT: Gasoline Tax.

FISCAL ANALYST: James Sperlik

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill increases the state gasoline tax to: 1) 18 cents per gallon during 2003; (2) 20 cents per gallon during 2004; and (3) 22 cents per gallon after 2004 (the tax rate is currently 15 cents per gallon). It provides that certain amounts of the increased revenue from the increase in the gasoline tax rate is to be: (1) deposited in the State Highway Fund; and (2) distributed to counties, cities, and towns eligible to receive a distribution from the Motor Vehicle Highway Account (MVHA).

The bill increases the amount of litigation costs that a defendant may be awarded in certain eminent domain actions from \$2,500 to \$5,000.

Effective Date: (Amended) July 1, 2002; January 1, 2003.

Explanation of State Expenditures: (Revised) Allowing a defendant in a condemnation suit to recover up to \$5,000 in litigation expenses will increase the costs to the state when it is a party in a condemnation suit. The current maximum is \$2,500.

Explanation of State Revenues: (Revised) *Fiscal Impact:* The table below shows the additional revenues resulting from the increase in the Gasoline Tax provided in this bill.

FY	Total Increase			
		SHRCIF*	State Share SHF**	Local Share MVHA***
2003	\$48.15M	\$16.05 M	\$16.05 M	\$16.05 M
2004	\$129.9M	\$32.4 M	\$48.75 M	\$48.75 M
2005	\$198.3 M	\$33.0 M	\$82.65 M	\$82.65 M

*State Highway Road Construction Improvement Fund

**State Highway Fund

***Motor Vehicle Highway Account

Background Information:

The estimated additional revenue raised from each penny increase in the Gasoline Tax is provided in the table below.

CY	One Cent Raises:
2003	\$32.1 M
2004	\$32.7 M
2005	\$33.3 M

Explanation of Local Expenditures: (Revised) Allowing a defendant in a condemnation suit to recover up to \$5,000 in litigation expenses will increase the costs to local units when they are a party in a condemnation suit. The current maximum is \$2,500.

Explanation of Local Revenues: See table in *Explanation of State Revenues*.

State Agencies Affected: Department of Transportation.

Local Agencies Affected: Recipients of the Motor Vehicle Highway Account distributions.

Information Sources: